

Letter to Unitholders

Overview

2024 was another strong year for our business. Our operations are performing well, with margins exceeding 20% and Adjusted EBITDA increasing to \$2.6 billion.

We generated more than \$2 billion of proceeds from our capital recycling initiatives including seven monetizations and a distribution funded by the recent recapitalization of our advanced energy storage operation. With these proceeds we substantially reduced our corporate borrowings, providing us significant financial flexibility. At our current trading price, buying back our units is an extremely efficient use of capital – and we are launching a \$250 million repurchase program which at these levels will increase the per unit/share value of our business.

Tailwinds into 2025

Inflation is easing and interest rates are stabilizing with the cost of borrowing declining by about 100 basis points over the past 18 months. Investor confidence is improving, and liquidity remains available for high-quality businesses. These trends have narrowed the gap between buyers and sellers, supporting a more constructive market environment and a pickup in transaction activity.

While markets are impossible to predict, our strategy remains consistent: own great businesses with strong demand, market leadership and pricing power. Our largest operations are market leading providers of essential products and services and their earnings are underpinned by stable demand. Given the underlying high-quality profile of these businesses, we completed more than \$20 billion in financings over the past year, supported by the durability of our cash flows. This resilience will continue to serve us well amid a potential backdrop of geopolitical and economic uncertainty.

Our confidence also comes from how we invest. Most of our returns have been achieved by buying good businesses at reasonable prices, executing our operational improvement plans to increase cash flows and recycling capital to optimize returns. This takes time but allows us to compound value and generate strong returns for our investors over a long period of time and across economic cycles.

Since going public, we have generated over \$6 billion in proceeds from the sale of over 20 businesses, realizing a 3x multiple of our invested capital and an IRR of approximately 30%. These excellent returns are proof of the effectiveness of our strategy.

BBU Realized Investments Track Record

June 2016 to December 2024

US\$ millions (unless otherwise noted)^{1,2}

	Disposition Date	Invested Capital	BBU Proceeds	Multiple of Capital	IRR
Westinghouse	2023	\$405	\$2,260	5.6x	61%
GrafTech	2018-2024	295	1,816	6.2x	74%
BGRS	2019	58	231	4.0x	58%
BGIS	2019	64	226	3.5x	45%
Quadrant	2018	61	191	3.1x	40%
Hammerstone	2024	69	181	2.6x	14%
Greenenergy	2023-2024	88	175	2.0x	10%
North American Palladium	2019	50	166	3.3x	26%
MAAX Bath	2017	101	135	1.3x	4%
Everise ³	2023	61	127	2.1x	26%
HomeServices	2018	76	121	1.6x	29%
Crossbridge	2023	17	84	4.9x	33%
Cardone ⁴	2023	432	52	0.1x	(50%)
CWC Energy Services	2023	45	50	1.1x	1%
Nova Cold	2020	4	48	12.0x	56%
WatServ	2022	10	14	1.4x	8%
Insignia	2017	51	13	0.3x	(19%)
Financial Assets and Other	2021-2024	263	501	1.9x	45%
		\$2,150	\$6,391	3.0x	30%

Please refer to endnotes on page 6.

A Re-Industrial Revolution is Good for Our Business

For years we have been investing in the industrial backbone of global economies, building on a track record which has been foundational to our success. Today, we are experiencing a reshaping of the industrial sector — automation, digitalization and deglobalization are transforming industries and how global manufacturing businesses run their operations. The emergence of these trends draws parallels to historical periods of industrial prosperity, marked by significant innovation, investment and economic growth. Advancements during these times fundamentally changed society in ways that had outsized impacts on manufacturing efficiency, productivity and wealth creation.

As the most productive global economy, the U.S. offers vast and almost limitless opportunities. However, for decades the growth of the U.S. manufacturing sector has been stagnant. With an increased reliance on international supply chains, production capacity had shifted offshore which had led to declining capital investment, labor productivity and U.S. manufacturing competitiveness.

Today, these trends are shifting — the convergence of technology and the industrial landscape is reawakening displaced industries as businesses seek to strengthen their supply chains and rebuild domestic manufacturing capabilities. The rapid adoption of automation, robotics and machine learning has the potential to be a significant source of operational productivity and efficiency, helping address skilled labor shortages in developed economies including the U.S., lower costs, reduce waste and improve global competitiveness over time.

Leading the revitalization of these businesses will require significant capital investment and operational expertise. This creates a unique opportunity for us given our track record as owners and operators with the resources and know-how to drive significant value creation.

Enormous potential exists in many of our businesses. Clarios, our advanced energy storage operation is the world's leading provider of advanced low-voltage batteries, powering one in three cars on the road in the world today. It is an exceptionally high-quality business with 80% of its volumes coming from recurring aftermarket demand. Its technology, scale and relationships with nearly all major global automakers are unmatched, providing it with an incredibly resilient competitive advantage.

Since our acquisition, annual profitability at Clarios has increased by more than \$500 million. We have driven significant operational transformation of the business focused on investing in new product development, improving customer service levels, optimizing production and expanding the business' advanced battery manufacturing capabilities. With the performance requirements of low-voltage batteries increasing, the demand for technologically advanced batteries is growing rapidly. As the global leader in advanced battery production, Clarios is ideally positioned to lead this evolution.

The business is in an exceptional financial position today and advanced manufacturing credits are assisting us with significant ongoing investment in U.S. manufacturing capabilities. Over the last decade, Clarios has invested over \$1 billion in its U.S. manufacturing operations and expects to more than double its U.S. investment over the next 10 years. This will include new capacity, state-of-the-art manufacturing technology and important innovations to accelerate growth and strengthen its global leadership position in producing the most advanced recyclable batteries in the world.

Clarios is an incredibly valuable business with a strong trajectory of increasing earnings and cash flows. Businesses like these do not come around all that often and the strong demand for Clarios' debt provided us an opportunity to upfinance its balance sheet to fund a \$4.5 billion distribution. Our share of the distribution was approximately \$1.2 billion which crystalizes a 1.5x multiple on our equity investment while continuing to hold our full interest in Clarios.

These proceeds provide us with significant optionality to continue supporting the ongoing growth of our business. This week, we completed the acquisition of Chemelex, a leading manufacturer of electric heat management solutions. Its specialized products are used to regulate the temperature of pipes in industrial and commercial applications, with the strength of its cash flows supported by the durable aftermarket replacement demand across a large installed base. We acquired the business through a carve-out from a larger company which we believe will create opportunities for us to optimize the organizational structure, strengthen the distribution and commercial strategy and leverage the strength of our platform to capitalize on tailwinds from energy transition and infrastructure spend. We invested approximately \$210 million for our 25% interest, with the balance funded by institutional partners.

Balance Sheet and Liquidity

Our balance sheet is in excellent shape. We ended the year with corporate liquidity of \$2.7 billion pro forma the distribution from our advanced energy storage operation and expected proceeds from the sale of our offshore oil services' shuttle tanker business.

This liquidity provides us significant flexibility to support our capital allocation priorities including the reduction of borrowings on our corporate credit facility, opportunistically repurchasing our units and investing in strategic acquisitions to support our growth. Consistent with these objectives, we are allocating \$250 million of proceeds from our recent capital recycling initiatives to the repurchase of our units and shares which at current trading

prices will enhance the intrinsic value per unit of our business. Given the quality of our current operations and expected underlying growth profile, buying back our units is an excellent use of the cash flow we are generating.

The balance of available proceeds will be used to reduce the borrowings on our corporate bank facilities. As a reminder, nearly all our larger operations are financed with long-dated maturities which have limited or no financial covenants, and no recourse to our business or other operations. Approximately 75% of our borrowings are either fixed or naturally hedged and most of our unhedged positions are in regions such as Brazil and India where it is very costly to do so.

Operating Results

Adjusted EBITDA increased to \$2.6 billion supported by stable underlying performance of our operations, tax benefits and the impact of acquisitions and dispositions.

Business Services

Our Business Services segment generated full year Adjusted EBITDA of \$832 million driven by strong performance at our residential mortgage insurer.

Losses on claims at our residential mortgage insurer remain below long-term historical levels due to the overall stability of Canadian home prices, low unemployment levels and consequently low mortgage delinquency rates. While we expect losses to increase to long-term levels, normalizing mortgage rates and improved affordability for home buyers should support increased housing activity and moderate home price appreciation this year. Since our acquisition five years ago, the business has returned the entire equity which we invested of \$855 million through dividend distributions, including \$200 million paid in 2024.

Earlier this month our dealer software and technology services operation reached a settlement on a legacy pre-acquisition class action lawsuit. The impact on the business is manageable and the settlement will be funded with liquidity from its balance sheet. This enables the business now to focus on future growth and value creation priorities. We are accelerating planned modernization and technology upgrades to enhance the user experience and overall customer service levels. Costs associated with these initiatives which are reflected in near-term results will support higher growth and a stronger market leadership position over the long run. The business recently signed multi-year contract renewals with four of the largest privately held automotive groups in the U.S. as we continue to support its broader customer retention initiatives.

The Australian private hospital sector continues to face significant challenges which have resulted in deteriorating performance at our healthcare services operation. The business is operating with an unsustainable cost structure primarily due to escalating wage inflation which continues to exceed reimbursement rates from private health insurers. Discussions with key stakeholders on a plan to support the longer-term recovery for the business are ongoing.

Industrials

Our Industrials segment generated full year Adjusted EBITDA of \$1.2 billion supported by strong performance at our advanced energy storage operation and increased contribution from our Brazilian water and wastewater services operation.

Our advanced energy storage operation generated record calendar year results. Results included \$371 million of tax benefits. Business performance continues to improve driven by growing demand for higher margin advanced batteries, commercial actions and continued progress on optimization initiatives.

Financial performance of our Brazilian water and wastewater operation improved 10% over the prior year driven by ongoing commercial and cost optimization actions. We are continuing to review potential capital recycling opportunities for the business despite a broader macroeconomic slowdown in Brazil.

Market conditions and volumes at our engineered components manufacturing operation were depressed during the year. While performance is lower, ongoing cost reduction, commercial optimization and working capital efficiency initiatives are supporting profitability and cash flows in the current environment. We had expected a correction in volumes following a post pandemic normalization in demand when we acquired the business and anticipate performance will recover as market conditions begin to improve later this year.

Infrastructure Services

Our Infrastructure Services segment generated full year Adjusted EBITDA of \$606 million for 2024 compared to \$853 million in the prior year reflecting the sale of our nuclear technology services operation in 2023.

Industry fundamentals at our lottery services operation strengthened late last year as the business continues to pursue a strong pipeline of new commercial opportunities. We recently finalized a new contract with the Ohio state lottery operator in addition to several other commercial wins which together should contribute to a 15% increase in annual run rate EBITDA. In parallel, plans to continue scaling the business' digital lottery capabilities are progressing as it focuses on positioning for future U.S. and international opportunities.

Sales of value added products and services contributed to stable performance at modular building leasing services during the year. Given a more muted economic outlook in parts of Europe and the U.K., the business continues to focus on growth opportunities in more resilient segments of the European market. Over time these initiatives should enhance the business' growth trajectory and durability of its earnings and cash flows.

Closing

We are committed to compounding value for our shareholders by acquiring great businesses for value, improving underlying operations and cash flows, and recycling capital. In 2024, we made significant progress to strengthen our balance sheet, enabling us to seize growth opportunities and opportunistically acquire our units which will materially enhance the intrinsic value of our business.

Thank you for your trust, partnership and continued interest in Brookfield Business Partners. Please do not hesitate to contact any of us should you have suggestions, questions, comments or ideas – we value your engagement.

Sincerely,



Anuj Ranjan
Chief Executive Officer



Cyrus Madon
Executive Chairman

January 31, 2025

Cautionary Statement Regarding Forward-looking Statements and Information

Note: This letter to unitholders contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of applicable Canadian and U.S. securities laws. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Business Partners, as well as regarding recently completed and proposed acquisitions, dispositions and other transactions, and the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts”, “views”, “potential”, “likely” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, investors and other readers should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Business Partners to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations and our plans and strategies may vary materially from those expressed in the forward-looking statements and forward-looking information herein.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the cyclical nature of our operating businesses and general economic conditions and risks relating to the economy, including unfavorable changes in interest rates, foreign exchange rates, inflation and volatility in the financial markets; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including our ability to complete dispositions and achieve the anticipated benefits therefrom; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; changes to U.S. laws or policies, including changes in U.S. domestic economic policies and foreign trade policies and tariffs; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; our reliance on computerized business systems, which could expose us to cyber-attacks; catastrophic events, such as earthquakes, hurricanes and pandemics/epidemics; cybersecurity incidents; the possible impact of international conflicts, wars and related developments including terrorist acts and cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States including those set forth in the “Risk Factors” section in our annual report for the year ended December 31, 2024 to be filed on Form 20-F.

Statements relating to “reserves” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described herein can be profitably produced in the future. We qualify any and all of our forward-looking statements by these cautionary factors.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

Cautionary Statement Regarding the Use of a Non-IFRS Measure

This letter to unitholders contains references to a Non-IFRS measure. Adjusted EBITDA is not a generally accepted accounting measure under IFRS and therefore may differ from definitions used by other entities. We believe this is a useful supplemental measure that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. However, Adjusted EBITDA should not be considered in isolation from, or as substitute for, analysis of our financial statements prepared in accordance with IFRS.

References to Brookfield Business Partners are to Brookfield Business Partners L.P. together with its subsidiaries, controlled affiliates and operating entities. Unitholders’ results include limited partnership units, redemption-exchange units, general partnership units, BBUC exchangeable shares and special limited partnership units. More detailed information on certain references made in this letter to unitholders will be available in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our annual report for the year ended December 31, 2024 to be filed on Form 20-F.

Endnotes

1. Figures rounded for presentation purposes.
2. Excludes realizations announced but not yet closed as of December 31, 2024.
3. Everise realized returns relate to the portion of BBU’s interest disposed of in December 2023.
4. Cardone proceeds based on future earn-out of royalty payments range from \$52 million to a maximum of \$160 million.